

REORGANIZATION PLAN FOR ALTERNATIVE ORGANIZATIONAL STRUCTURE SUBMITTAL SHEET

School Administrative Units Included in APPROVED Notice of Intent	School Administrative Units Submitting Reorganization Plan (Each municipality in a School Union must be indicated separately)
RSU #63 (Clifton, Eddington, Holden)	RSU #63 (Clifton, Eddington, Holden)
CSD #8 (Aurora, Amherst, Great Pond, Osborn)	CSD #8 (Aurora, Amherst, Great Pond, Osborn)

Contact Information:

RPC Co-Chairs

Name:	<u>Les Hutchinson</u>	<u>Therese Anderson</u>
Address:	<u>PO Box 44</u>	<u>678 Riverside Dr.</u>
	<u>Aurora, ME 04408</u>	<u>Eddington, ME 04428</u>
Telephone:	<u>735-8746</u>	<u>989-9691</u>
E-mail:	<u>therese@maine.edu</u>	

Date Plan Submitted: August 25, 2010

Proposed Alternative Organizational Structure Operational Date: 7/1/11

Paul O. Bessley Ret.
Signature/Title

8/23/10
Date

RSU 63 Clifton
SAU

Nancy Hatala Seibert
Signature/Title

8/23/10
Date

RSU 23 Clifton
SAU

Alan Chalkin - Chairman
Signature/Title

8/23/10
Date

RSU 63 Eddington
SAU

Robert Russell - President
Signature/Title

8/23/10
Date

RSU 63 - Eddington
SAU

Paul Bessley
Signature/Title

8/23/10
Date

RSU 63 Haver
SAU

Kevin Gray
Signature/Title

8/23/10
Date

RSU 63 Clifton
SAU

Mark Gray
Signature/Title

8/23/10
Date

CSD 8
SAU

Bessley & Reed
Signature/Title

8/23/10
Date

CSD #8 Osborn
SAU

[Signature]
Signature/Title

8/23/10
Date

Arden
SAU

[Signature]
Signature/Title

8/23/10
Date

CSD #8 OSBORN
SAU

Marie E. Bessley
Signature/Title

8-23-10
Date

CSD #8 Osborn
SAU

Joseph Schall Bessley
Signature/Title

8-23-10
Date

CSD 8 Aurora
SAU

[Signature]
Signature/Title

8-23-10
Date

CSD 8 Aurora
SAU

Nicholas E. Gale
Signature/Title

8-23-10
Date

CSD 8 Aurora
SAU

Bo Achman
Signature/Title

8-23-10
Date

CSD 8

Mary Dineen
Board Member, Great Pond

8-23-10
Date

CSD 8 Great Pond

[Signature]

8-23-10
Date

CSD 8 Great Pond

Reorganization Plan for Alternative Organizational Structure Cover Sheet

Required Elements							
Law Reference Item Number Sub- Chapter 2	Item	N/A	Complete	In Progress	Not Yet Started	Identified Barrier ¹	Need Assistance ²
3.A(1)	SAUs included in Alternative Organizational Structure (AOS)		X				
3.A(2)	Size of governing body		X				
	Composition of governing body		X				
	Apportionment of governing body		X				
3.A(3)	Method of voting of the governing body		X				
3.A(4)	Composition of local school committees		X				
	Powers of local school committees		X				
	Duties of local school committees		X				
3.A(5)	Disposition of real & personal school property		X				
3.A(6)	Disposition of existing school indebtedness (if not using provisions of section 1506)		X				
	Disposition of lease-purchase obligations (if not using provisions of section 1506)		X				
3.A(7)	Assignment of other school contractual obligations		X				
	Assignment of collective bargaining agreements		X				
	Assignment of other school contractual obligations		X				
3.A(8)	Disposition of existing school funds and existing financial obligations		X				
3.A(9)	Transition plan that addresses the development of a budget for the first school year		X				
	Transition plan that addresses interim personnel policies		X				
3.A(10)	Documentation of the public meeting(s) held to prepare or review reorganization plan		X				
3.A(11)	Explanation of how units that approve reorganization plan will proceed if one or more units do not approve the plan		X				
3.A(12)	Estimate of cost savings to be achieved		X				
3.A(13)	Such other matters as the governing bodies of the school administrative units in existence on the effective date of this chapter may determine to be necessary		X				

¹ Please explain why this is a barrier and what assistance you need to remove this barrier on the next page.

² Please explain what assistance you need to complete this portion of your plan, and state from whom you need assistance, on page 3.

Parameters for Plan Development							
Law Reference Item Number Sub- Chapter 2	Item	N/A	Complete	In Progress	Not Yet Started	Identified Barrier ¹	Need Assistance ²
3.B(1)	Enrollment meets requirements (2,500 except where circumstances justify an exception ⁵)		X				
Sec. XXXX-36, Parameter B	When viewed in conjunction with surrounding proposed units, may not result in one or more municipalities being denied the option to join an RSU		X				
3.B(2)	Comprehensive programming for all students grades Pre K-12		X				
	Includes at least one publicly supported high school		X				
3.B(3)	Consistent with policies set forth in section 1451		X				
3.B(4)	No displacement of teachers		X				
	No displacement of students		X				
	No closures of schools existing or operating during school year immediately preceding reorganization, except as permitted under section 1512		X				
Sec. XXXX-36, Parameter F	The plan must address how the school administrative unit will reorganize administrative functions, duties and non-instructional personnel so that the projected expenditures of the reorganized school unit in fiscal year 2008-2009 for system administration, transportation, special education and facilities and maintenance will not have an adverse impact on the instructional program ⁶		X				
Sec. XXXX-36, 2.C	A notice of intent to engage in planning and negotiations with other school administrative units for the purpose of developing a reorganization plan to form an alternative organizational structure		X				
2.C(1)	A school administrative unit may be designated by the commissioner as part of an AOS. The commissioner may designate an SAU as part of an AOS if the commissioner finds that the proposed organizational structure will result in:		X				
	Consolidation of system administration		X				
	Consolidation of special education administration, transportation administration and administration of business functions including accounting, reporting, payroll, financial management, purchasing insurance and auditing		X				
	Adoption of a core curriculum and procedures for standardized testing and assessment aligned with the system of learning results established in Title 20-A, section 6209		X				
	Adoption of consistent school policies and school calendars and a plan for consistent collective bargaining agreements		X				
	A plan for an AOS may include a collaborative agreement under chapter 114 and must include an interlocal agreement under Title 30- A, chapter 115. The plan must include procedures for conducting a Pre kindergarten through grade 12 budget approval pursuant to subparagraph (2) Explanation of how units that approve reorganization plan will proceed if one or more units do not approve the plan	X					

³ Please explain why this is a barrier and what assistance you need to remove this barrier on the next page.

⁴ Please explain what assistance you need to complete this portion of your plan, and state from whom you need assistance on page 3.

⁵ Please note in the *Exceptions to 2500 Minimum* section on next page.

⁶ This requirement is only for those who plan to be operational as an AOS in fiscal year 2008-2009, in accordance with a Reorganization Plan that is approved by the Commissioner and by the voters.

Law Reference Item Number Sub- Chapter 2	Item	N/A	Complete	In Progress	Not Yet Started	Identified Barrier ¹	Need Assistance ²
2.C(2)	The budget procedures of members of an AOS must conform to the format and referendum procedures set forth in sections 1485 and 1486 for regional school units except for the time limits pursuant to section 1486, subsection 2. The budget validation referendum for all members of the AOS must be conducted on the same day.		X				
Collaborative Agreements							
						Yes	No
Does your plan currently include information/documentation on collaborative agreements? (not required, but encouraged)							X

Exceptions to 2,500 minimum

Actual number of students (10/1/2006) for which the SAU is fiscally responsible: 1,055

<http://www.maine.gov/education/enroll/aproct/resident.html>

Exception	Exception Claimed in Plan	Documentation Provided? (Please attach as Exhibit B)	
		Yes	No
Geography	X		X
Demographics	X		X
Economics			
Transportation			
Population Density			
Other Unique Circumstances	X	X	

Geography, Population Density

Other Unique Circumstances

Explanation of Barriers –

Please use this section to explain any/all barriers identified on the previous page as a barrier in completing your Reorganization Plan.

Law Reference/Required Element	Explanation of the barrier

Assistance Needs –

Please use this section to describe your needs for assistance and from whom you need assistance.

Law Reference/Required Element	Explanation of your assistance needed	Assistance needed from whom?

REORGANIZATION PLAN TABLE OF CONTENTS
AOS No.

CHECKLIST/PLAN ITEMS

- Submittal Sheets.....Pg. 1-2
- Cover Sheet.....Pg. 3-6
- Table of Contents.....Pg. 7
- AOS Plan.....Pg. 8-15

EXHIBITS

- Interlocal Agreement.....Exhibit A
- RPC Meeting Minutes.....Exhibit B
- Personnel Chart.....Exhibit C
- Brewer School Department – Secondary Education Letter.....Exhibit D

AOS No.

Reorganization Plan

(Alternative Organizational Structure)

SAU Submitting: Airline CSD #8 and RSU #63

Contact Information: Les Hutchinson/Therese Anderson, RPC Co-Chairs

Date Submitted by SAU: August 25, 2010

Proposed RSU Operational Date: July 1, 2011

Airline CSD No. 8 and RSU No. 63 Schools

Vision

Our belief is that by developing the whole person, students will take pride and responsibility in their performance. We believe all students can be successful in the journey to be productive citizens. We will encourage cooperation and individual development through a safe and nurturing environment. We are committed to the task of cultivating knowledgeable individuals who strive for excellence in their endeavors and the highest achievement in pursuit of lifelong learning.

1. **The units of school administration to be included in the proposed Alternative Organizational Structure (AOS).** The proposed AOS includes the following school administrative units:
 - a) Airline Community School District No. 8 (Airline CSD #8)
 - b) Regional School Unit No. 63 (RSU #63)
2. **The size, composition and apportionment of the governing body.** The proposed AOS shall be governed by an AOS school board consisting of the representatives appointed by the school boards of Airline CSD #8 and RSU #63 as follows:

<u>Municipality</u>	<u>Number of Representatives</u>
Amherst	1
Aurora	1
Clifton	1
Eddington	1
Great Pond	1
Holden	1
Osborn	1
TOTAL	7

Board members will be seated from the members of local school committees by a method determined by each Member School Unit committee.

3. **The method of voting of the governing body.** The AOS school board shall use Method "D" weighted voting in compliance with the "one man – one vote principle". Until the next Federal Decennial Census, each AOS school board member's voting power shall be proportionate to the population of that member's municipality as shown below:

Municipality	Population 2009 Est. Federal Decennial Census	Percentage of Population	Total Votes	Number of Directors	Number of Votes Per Director	Percentage of Voting Power per Director	Total Votes by Municipality
Amherst	230	3.5%	230	1	230	3.5%	230
Aurora	110	1.7%	110	1	110	1.7%	110
Clifton	788	12.1%	788	1	788	12.1%	788
Eddington	2,240	34.5%	2,240	1	2,240	34.5%	2,240
Great Pond	49	.8%	49	1	49	.8%	49
Holden	3,016	46.4%	3,016	1	3,016	46.4%	3,016
Osborn	64	1.0%	64	1	64	1.0%	64
Total	6,497	100.00%	6,497	7	6,497	100.00%	6,497

The number of votes of each member of the AOS school board shall be adjusted after each Federal Decennial Census, to reflect the then current population of each municipality in the AOS.

4. **The composition, powers and duties of local school boards.** The composition, powers and duties of the school boards of the member school units shall remain unchanged except as specifically modified by the attached Interlocal Agreement or as otherwise provided in this plan.
5. **The disposition of real and personal school property.** All real and personal property interests, including without limitation, land, buildings, other improvements to realty, easements, option rights, first refusal rights, and purchase rights, and all fixtures, shall

remain the property of each Member School Unit except for central office equipment that will be transferred to the AOS.

6. **The disposition of existing school indebtedness and lease-purchase obligations if the parties elect not to use the provisions of Section 1506 regarding the disposition of debt obligations.** The indebtedness and lease-purchase obligations of the Member School Units will remain with the respective Member School Unit.
7. **The assignment of school personnel contracts, school collective bargaining agreements and other school contractual obligations.**

a) School Personnel Contracts

- i) AOS System Office. The personnel contracts that will transfer to the AOS from the Member School Units include: central office administration, administration of transportation, administration of special education and administration of business functions including accounting, reporting, and payroll, financial management, purchasing, insurance and auditing. All other personnel contracts and school contractual obligations will remain with each member unit. The duties and assignments of all System Office personnel shall be determined by the superintendent or her/his designee consistent with the policies of the AOS Board and may be full or part time including the combining of two or more positions.

- b) Collective Bargaining Agreements. Member School Units currently are subject to the following collective bargaining agreements:

SAU	Positions Included in Bargaining Unit	Next Termination Date
RSU #63	Teachers	8/31/2011

Collective bargaining agreements to which the Member School Units are a party shall be retained by the existing Member School Units and will not be transferred to the AOS.

The requirement under State law to create a plan that will provide for consistent collective bargaining agreements is not applicable to the AOS as the Airline CSD #8 does not currently have a teacher bargaining unit.

The Superintendent and/or his/her designee will fulfill the designated function of collective bargaining agreement administrator on behalf of the Member School Units.

- c) Other School Contractual Obligations. All such obligations will remain with the Member School Unit unless transferred by mutual agreement from the Member School Unit to the AOS during the transition process.
- 8. The disposition of existing school funds and existing financial obligations, including undesignated fund balances, trust funds, reserve funds and other funds appropriated for school purposes. All existing school funds and existing financial obligations of the Member School Units will remain with the respective Member School Unit.
- 9. A transition plan that addresses the development of a budget for the first school year of the reorganized unit and interim personnel policies.
 - a) Initial Budget Development. The Airline CSD #8 and RSU #63 School Boards will jointly prepare a proposed AOS budget for the Fiscal Year 2012 that will allow for smooth transition of system administration lines from the Member School Unit budgets to the AOS budget in the event that the AOS plan is approved. The proposed AOS budget will be presented to the AOS Board for their revision and approval at their first meeting.
 - b) Transition Plan for Personnel Policies. Present RSU #63 personnel policies shall serve as the interim policies for the AOS Central Office personnel until the AOS Board establishes its own policies. All other personnel will be governed by their Member School Unit's policies.
- 10. Documentation of the public meeting or public meetings held to prepare or review the reorganization plan.

Prior to the decision of Airline CSD #8 and RSU #63 to form an AOS, they were involved in RSU discussions with Brewer School Department, Dedham School Department and Orrington School Department. These RPC meetings started in July 2007 and continued until January 2009 when all communities involved turned down the reorganization plan at community referendums.

The new AOS RPC held public meetings on the following dates to discuss reorganization planning: August 19, 2010. All RPC meetings are public and at each meeting the public is allowed to comment. All meeting agendas, minutes and related documents are available at the RSU #63 Superintendent's Office (Exhibit B).

A public forum on the town warrants for the proposed Reorganization Plan will be held in Airline CSD #8 and in RSU #63.

The RPC or its designees will develop a common agenda, presentation and draft plan summary highlighting key points in each section to be used at each of the public forums. This agenda will provide public information followed by a comment session. All sessions will be facilitated by RPC members. Meeting notes, including lists of participants, will be maintained by the RPC, at each Member School Unit system office, and posted on the Internet within one (1) week following each forum.

All forum materials including the Plan, attachments and appendices will be posted on the Internet prior to the forums. Hard copy handouts of a plan summary will be available at each of the forums; full copies of the Plan will be available at the system office of each Member School Unit (Airline CSD #8, RSU #63) at no cost upon request.

11. **An explanation of how units that approve the reorganization plan will proceed if one or more of the proposed members of the regional school unit fail to approve the plan.** If the Reorganization Plan does not form under this plan, the School Departments shall re-start the process to form an AOS or a regional school unit with the same or other school administrative units and may seek assistance from the Department of Education to develop another Reorganization Plan.

12. **An estimate of the cost savings to be achieved by the formation of a regional school unit and how these savings will be achieved.**

We estimate that the formation of the AOS will result in the following cost savings during the first three years of operation.

The communities of Airline CSD #8 and RSU #63 have operated as Joint Districts, sharing the costs and services of a central office since 1977. While sharing a central office we have consistently achieved operational efficiencies resulting in reduced costs. We will continue to search for increased operating efficiencies to provide future savings in the new AOS.

Airline CSD #8 and RSU #63 are also very aware that penalties for non-conformity will increase the local commitments to education should this plan not be operational by July 1, 2011.

First year: Fiscal Year 2012

Estimated Savings:	\$0
FY 11 Estimated Additional Costs:	<u>(\$10,000)</u>
Net Savings (or costs):	(\$10,000)

Category	Savings/Cost	Note
Personnel	\$0	Airline CSD #8 and RSU #63 have shared the cost of a central office since 1977. Operational efficiencies have always been the goal of the two school districts.
Transition Costs	(\$10,000)	Legal costs to establish AOS

Second year: Fiscal Year 2012

Estimated Savings: \$0

FY 12 Estimated Additional Costs: \$0

Net Savings (or costs): \$0

Category	Savings/Cost	Note

Third year: Fiscal Year 2013

Estimated Savings: \$0

FY 13 Estimated Additional Costs: \$0

Net Savings (or costs): \$0

Category	Savings/Cost	Note

13. Other matters determined to be necessary.

- a) Assets and Liabilities. The Airline CSD #8 and RSU #63 will retain all assets and liabilities related to its prior SAU status.

b) Instructional Impact. The implementation of this plan will have no adverse impact on the instructional program of any school in either of the Member School Units.

c) Tuition Contracts and School Choice.

i) Tuition Contracts. In accordance with 20-A M.R.S.A. § 1479-2 a regional school unit may contract with a nearby regional unit to provide all or some secondary high school education for grades 9-12.

At present the Airline CSD #8 and RSU #63 serve children in grades Pre-k to eight. The Board of the newly formed AOS will agree to enter into a long-term mutually acceptable contract with the Brewer School Department guaranteeing acceptance of all 9-12 students. (Exhibit D)

This contract will preserve school choice in the Airline CSD #8 and RSU #63, while ensuring each grade 9-12 student residing in the Member School Units will be guaranteed a public secondary education.

ii) School Choice. The following SAU's offer some or all of their students a choice of which school to attend.

SAU	Description
Airline CSD #8	All students 9-12 may choose to attend any school approved for tuition purposes.
RSU #63	All students 9-12 may choose to attend any school approved for tuition purposes.

Grade levels in the existing SAUs that have choice of schools as of the operational date of this plan shall continue to have the same choices in the AOS. In all cases where a Member School Unit's students may choose a school to attend, the respective Member School Unit will pay up to the maximum state-allowable tuition for each student consistent with current state law.

d) Claims and Insurance. Continuity of insurance shall be maintained with the assistance of counsel.

e) Fewer than 2,500 students. Airline CSD #8 and RSU #63 are proposing the formation of an AOS with an enrollment of 1,055 students (as of October 2006). Both Airline CSD #8 and RSU #63 have exhausted all reasonable and practical efforts in their pursuit of a conforming reorganization plan of greater than 2,500 or greater than 1,200 students.

Subsequent to the failed referendum vote in January of 2009, Airline CSD #8 and RSU #63 contacted the neighboring municipal school units of Dedham and Orrington in an effort to continue discussions regarding the formation of a Pre k to eight school

unit with more than 1,200 students. We have recently learned Dedham and Orrington have been given approval by the Department of Education to form an RSU without the Airline CSD #8 and RSU #63. This approval has left us with no other partners and no possibility to form a unit exceeding 1,200 students.

- f) Plan for Consistent Collective Bargaining Agreements. This provision of the plan is not applicable as the Airline CSD #8 does not have a bargaining unit for teachers.
- g) Incorporation of Interlocal Agreement. The Interlocal Agreement for the creation of the AOS, attached to this Plan as Exhibit A, is expressly incorporated into and made a part of the Plan.
- h) Amendment of Plan. Subject to approval by the Commissioner of Education, this Plan may be amended by a majority vote of the full membership to the AOS Board, approval by the school board of each Member School Unit, and a favorable vote of each Member School Unit taken at a publicized public meeting or by referendum.
- i) Cost Sharing of AOS Budget.
 - a) The Member School Units shall share the costs of the AOS central office budget as follows;
 - 50% based on the average subsidizable student population of the Member School Unit as measured on April 1 and October 1 of the three most recent calendar years.
 - 50% based on the average Member School Unit approved general fund budget for the three most recent fiscal years.
 - b) The method of cost-sharing of AOS central office costs may be amended upon approval by the school committee of each Member School Unit and by the voters of each Member School Unit at a town meeting or town referendum.
 - c) No later than October 31, 2011, the AOS School Board shall establish a subcommittee to review the cost sharing arrangement and shall recommend any necessary changes no later than December 31, 2011.
- j) Distribution of State Subsidy. The AOS school board shall distribute state subsidy received by the AOS to each Member School Unit as separate and distinct units in the amount calculated and reported to that Member School Unit by the Maine Department of Education. Based on recognizing the AOS member entities as separate discrete school administrative units for the purposes of 20-A M.R.S.A., Chapter 606-B and in accordance with 20-A M.R.S.A., Section 1461-B, subsection 4, and member entities shall provide any separate discrete data that is necessary for the Department of Education to perform these calculations.

EXHIBIT A

Interlocal Agreement for Alternative Organizational Structure 30-A M.R.S.A. Chapter 115

This agreement made as of August 20, 2010 between Airline Community School District No. 8 (Airline CSD #8), a consolidated school unit acting by and through its governing body and Regional School Unit No. 63 (RSU #63), and a regional school unit acting by and through its governing body.

WHEREAS, subject to certain conditions of approval, the Member School Units intend to form an Alternative Organizational Structure (hereinafter "AOS") within the meaning of 20-A M.R.S.A. § 1, sub-§ 26(c) and 20-A M.R.S.A. § 1, sub-§ 26(c) for administration of certain aspects of their respective school systems; and

WHEREAS, the Member School Units intend to share services with respect to system administration of transportation, administration of special education, and administration of business functions including accounting, reporting, payroll, financial management, purchasing, insurance, and auditing; and

WHEREAS, the Member School Units propose to adopt a core curriculum, procedures for standardized testing and assessment aligned with the system of learning results, and consistent school policies and school calendars; and

WHEREAS, the Member School Units intend to work together to identify additional areas where they may be able to achieve cost savings and/or enhanced educational programming and opportunities for students; and

WHEREAS, the Member School Units are public agencies of the State of Maine within the meaning of Chapter 115 of Title 30-A of the Maine Revised Statutes; and

WHEREAS, 30-A M.R.S.A. § 2203 provides that any powers, privileges or authority exercised or capable of exercise by a public agency of the State of Maine may be exercised jointly with any other public agency of the State of Maine by means of an Interlocal Agreement;

NOW, THEREFORE, subject to certain conditions of approval as stated in Paragraph 19 hereof, the Member School Units enter into an Interlocal Agreement pursuant to Title 30-A, M.R.S.A. Chapter 115 as follows:

- 1) **Purpose.** The purpose of this Interlocal Agreement is to reorganize the Member School Units into an Alternative Organizational Structure (AOS) in order to achieve the goals of Maine's School Reorganization Law, PL 2007, Ch. 240, as amended, including enhanced student educational achievement and greater efficiency in the administration of public school programs.

- 2) **Reorganization Plan for an AOS.** The Member School Units have formed a Reorganization Planning Committee (hereinafter "RPC") for the purpose of developing a school reorganization plan for an AOS pursuant to Maine's School Reorganization Law (hereinafter "School Reorganization Plan"). The Member School Units agree to work with the RPC to develop a School Reorganization Plan for an AOS which can be submitted to the Commissioner of Education for approval and then submitted to the voters for approval at referendum in accordance with Maine's School Reorganization Law.
- 3) **Creation of Legal and Administrative Entity.** The inhabitants of and the territory within the Member School Units is hereby created as a body politic and corporate under the name of AOS No. 863 as an Alternative Organizational Structure within the meaning of 20-A M.R.S.A. § 1 sub-§ 26(c) and 20-A M.R.S.A. § 1461-B, a school administrative unit within the meaning of 20-A M.R.S.A. § 1(26) and 30-A M.R.S.A. § 2252, a quasi-municipal corporation within the meaning of 30-A M.R.S.A. § 2351(4), a public agency within the meaning of 30-A M.R.S.A. Chapter 115, and a political subdivision within the meaning of 14 M.R.S.A. Chapter 741, § 8102(3), and it shall have all other governmental authority and immunity as may be provided by any other applicable law.
- 4) **AOS School Board.** An AOS established pursuant to this Interlocal Agreement shall be governed by an AOS school board consisting of four (4) representatives from the Airline CSD #8 School Committee and three (3) representatives from the RSU #63 School Board. Each school board may appoint one alternate from their school committee or board to the AOS school board to serve in the case of the absence of one of its representatives. The AOS school board shall use the weighted voting method. Until the next Federal Decennial Census, each AOS school board member's voting power shall be proportionate to the population of that member's municipality as shown below:

Municipality	Population 2009 Est. Federal Decennial Census	Percentage of Population	Total Votes	Number of Directors	Number of Votes Per Director	Percentage of Voting Power per Director	Total Votes by Municipality
Amherst	230	3.5%	230	1	230	3.5%	230
Aurora	110	1.7%	110	1	110	1.7%	110
Clifton	788	12.1%	788	1	788	12.1%	788
Eddington	2,240	34.5%	2,240	1	2,240	34.5%	2,240
Great Pond	49	.8%	49	1	49	.8%	49
Holden	3,016	46.4%	3,016	1	3,016	46.4%	3,016
Osborn	64	1.0%	64	1	64	1.0%	64
Total	6,497	100.00%	6,497	7	6,497	100.00%	6,497

The number of votes of each member of the AOS school board shall be adjusted after each Federal Decennial Census, to reflect the then current population of each municipality in the AOS.

A quorum of the school board shall consist of a majority of the members including at least two members from each Member School Unit.

The school board of each municipality in the AOS shall decide the method by which the member representatives to the AOS school board shall be chosen. Any vacancy on the AOS school board shall be filled by the appointing school board.

Pending the effectiveness of this agreement, the AOS school board shall be established no later than July 1, 2011.

- 5) **School Systems of Member School Units.** Within each of their respective jurisdictions, Member School Units are currently responsible for operation of the following school grades:

Member School Unit	Grades
Airline Community School District No. 8	Grades Pre-K - 8
Regional School Unit No. 63	Grades Pre-K - 8

- 6) **Powers, Authority and Responsibility.** There shall be an AOS central office under the direction and control of the AOS school board serving all of the Member School Units. The AOS central office shall include a superintendent and shall provide for business management, transportation administration, special education administration, and curriculum coordination. The respective powers and duties of the AOS school board and superintendent of schools shall be governed by State law.

The AOS school board shall be responsible for overseeing system administration, administration of business functions (including accounting, reporting, payroll, financial management, purchasing insurance and auditing) and development and maintenance of a core curriculum and procedures for standardized testing and assessment aligned with the system of Learning Results for all of the Member School Units in the AOS.

The AOS school board shall adopt consistent school policies and consistent school calendars in conjunction with the school committees or school boards of the Member School Units.

More specifically, in furtherance and not in limitation of the powers and responsibilities of the AOS school board as described above, the powers, authority and responsibilities of the AOS school board shall include the following:

- a) Oversee the operation of the AOS central office;
- b) Annually develop and obtain voter approval for the AOS central office budget;
- c) Apportion to each Member School Unit its share of the AOS central office budget in accordance with the AOS cost sharing formula;

- d) Oversee Central Office business services, including accounting, reporting, payroll, financial management, purchasing, insurance and auditing for the Member School Units;
- e) Accept and oversee the administration of balances, carryover funds or general reserves as provided in the Reorganization Plan and oversee the expenditure of other reserve funds as approved through the AOS budget process and as permitted by applicable law;
- f) Own or lease and oversee management of the AOS Central Office property and equipment;
- g) To the extent permitted by law, authorize and oversee administration of construction and renovation projects or any part of such projects that pertain to the AOS Central Office;
- h) To the extent permitted by law, assume and incur debt or obtain other financing for the AOS Central Office, in addition to the authority of one or more Member School Units to incur debt for that purpose;
- i) Oversee administration of federal, state and other grants not overseen by the school committees or school boards of the Member School Units;
- j) Oversee filing of all required state and federal reports for the AOS and the Member School Units;
- k) Employ AOS central office personnel, and oversee administration of their wages, hours, and working conditions;
- l) Oversee the supervision and evaluation of and adopt policies and applicable to AOS central office employees;
- m) Prepare and implement a plan for consistent collective bargaining agreements in conjunction with the school committees and school boards of the AOS Member School Units; this provision of the plan is not currently applicable as the Airline CSD #8 does not have a bargaining unit for teachers.
- n) Oversee and maintain a Pre-K – 8 core curriculum for Member School Units and procedures for standardized testing and assessment aligned with the system of learning results;
- o) Adopt consistent school policies in conjunction with the school committees and school boards of the AOS Member School Units;

- p) Administer and operate the transportation system for all schools in the AOS and administration of bus purchases and debt repayment for the AOS Member School Units;
- q) Oversee administration of the bookkeeping and reporting requirements for school lunch programs for the AOS Member School Units;
- r) Accept and oversee expenditure of gifts to the AOS central office;
- s) Adopt a consistent school calendar for the AOS and Member School Units;
- t) Oversee contracts and lease agreements relating to the AOS central office;
- u) Distribute state subsidy among the Member School Units as separate and distinct entities in accordance with the subsidy distribution method described in paragraph 10;
- v) Oversee administration of this Interlocal Agreement and, as deemed necessary from time to time, propose amendments to this Interlocal Agreement for approval by the Commission of Education and the Member School Units in accordance with paragraph 17;
- w) Authorize the Superintendent of Schools, subject to such limitations as the AOS school board may in its discretion determine, to designate one or more employees of the AOS or Member School Units with administrative certification from the State of Maine to attend meetings of the school committees and school boards of the AOS and Member School Units in place of the Superintendent of Schools.

7) Other Educational Improvements and Cost Savings. The AOS and the Member School Units shall work together in a cooperative manner under the leadership of the AOS school board and the superintendent of schools to identify and implement additional measures to improve student achievement and create efficiencies in the delivery of educational services within and among the Member School Units in the AOS.

A particular area of consideration will be existing shared services with regional partners. No later than October 31, 2011, the AOS school board shall create a subcommittee to complete a review of all existing contracts for shared services with regional partners. This subcommittee shall report back to the AOS school board with recommendations for possible efficiencies to be found through the shared services contracts process by no later than December 31, 2011.

8) Budget Adoption Procedures. The AOS board shall develop each year a budget for the AOS which shall be submitted to an AOS budget meeting of the voters of all of the Member School Units prior to calling the budget meetings of the Member School Units. The AOS budget meeting shall be conducted in accordance with the summary cost center budget format, to the extent applicable to the AOS central office budget, and the budget meeting procedures applicable to a regional school unit, except that the duties of the

regional school unit board shall be performed by the AOS school board. The AOS budget must be approved by a majority of all the voters from AOS Member School Units at the AOS budget meeting, not by a majority of the voters from each Member School Unit. Following the AOS budget meeting, the AOS school board shall notify the Member School Units of their respective shares of the AOS central office budget as approved at the AOS budget meeting calculated in accordance with the cost sharing method in paragraph 9. The school committee of each Member School Unit in the AOS shall then develop its own school budget, including its share of the AOS central office budget, and submit it to the voters of that Member School Unit for approval at a meeting of its legislative body in accordance with applicable law. Following the budget meetings of the AOS and each Member School Unit, each Member School Unit shall adopt its budget in accordance with applicable law. If the budget of a Member School Unit is not approved at the budget validation referendum, then that Member School Unit shall repeat the budget adoption process until its budget is approved at both a budget meeting and, if required, a budget validation referendum. Each Member School Unit's final share of the AOS central office budget shall be determined based on the final AOS budget as approved at an AOS budget meeting. The budget validation referendum procedures for a Member School Unit may be discontinued by the voters of that Member School Unit in accordance with the law applicable to a regional school unit. The AOS shall not have taxing power and the allocation of AOS costs to each Member School Unit under the cost sharing method in paragraph 9 shall not constitute the assessment of a tax. The Member School Units shall be solely responsible for raising taxes to pay their respective shares of the AOS central office budget. Each Member School Unit's share of the AOS central office budget shall be paid to the AOS as a contractual obligation under the terms of this Interlocal Agreement.

9) Cost Sharing of AOS Budget.

- a) The Member School Units shall share the costs of the AOS central office budget as follows;
 - 50% based on the average subsidizable student population of the Member School Unit as measured on April 1 and October 1 of the three most recent calendar years.
 - 50% based on the average Member School Unit approved general fund budget for the three most recent fiscal years.
- b) The method of cost-sharing of AOS central office costs may be amended upon approval by the school committee of each Member School Unit and by the voters of each Member School Unit at a town meeting or town referendum.
- c) No later than October 31, 2011, the AOS school board shall establish a subcommittee to review the cost sharing arrangement and shall recommend any necessary changes no later than December 31, 2011.

- 10) **Distribution of State Subsidy.** The AOS school board shall distribute state subsidy received by the AOS to each Member School Unit as separate and distinct units in the amount calculated and reported to that Member School Unit by the Maine Department of Education. Based on recognizing the AOS member entities as separate discrete school administrative units for the purposes of 20-A M.R.S.A, Chapter 606-B and in accordance with 20-A M.R.S.A., Section 1461-B, subsection 4, and member entities shall provide any separate discrete data that is necessary for the Department of Education to perform these calculations.
- 11) **Real Estate and Personal Property.** All real and personal property belonging to Member School Units shall remain the property of those Member School Units. Any real estate or personal property acquired for the operation of the AOS central office shall be owned by the AOS.
- 12) **School Closing.** The closing of a school within a Member School Unit in the AOS shall be determined by the governing body and voters of that Member School Unit in accordance with applicable law. The AOS school board and the voters of the AOS shall have no authority to close a school within a Member School Unit.
- 13) **Duration.** This Interlocal agreement shall remain in effect from the date that the AOS becomes operational until this Agreement is terminated pursuant to Paragraph 16.
- 14) **Termination of Participation of Member School Unit.** The participation of a Member School Unit in this Interlocal Agreement and the AOS may be terminated for cause upon the failure of a Member School Unit to conform to the statutory requirements applicable to alternative organizational structures, including without limitation, failure to implement the core curriculum, procedures for standardized testing and assessment, consistent school policies and school calendars, and/or the plan for consistent bargaining agreements approved by the AOS school board. Prior to any such termination, the AOS school board shall provide the non-conforming Member School Unit with written notice of its failure to conform to AOS statutory requirements and shall provide a 90 day opportunity to cure. If the Member School Unit fails to cure the non-conformity within the 90 day cure period, the AOS school board shall submit to the Commissioner of Education a plan for termination and equitable distribution and/or compensation with respect to that Member School Unit's proportional share of the assets of the AOS. Upon approval of the Plan by the Commissioner, the Member School Unit's participation in the AOS and this Interlocal Agreement may be terminated by a two-thirds vote of all the members of the AOS school board including those from the Member School Unit whose termination is under consideration. The termination of a Member School Unit's participation shall become effective as of the end of the then-current AOS fiscal year. Upon the termination of a Member School Unit's participation in the AOS, the AOS shall make a distribution of property and/or provide compensation to the terminated Member School Unit as provided in the plan approved by the Commissioner.
- 15) **Withdrawal of Member School Unit.** Any Member School Unit shall have the authority to withdraw from the AOS at the beginning of any fiscal year provided that

such withdrawal is approved by the Commissioner of Education and at a public referendum conducted within the withdrawing Member School Unit more than sixty (60) days prior to the beginning of that fiscal year.

- a) Prior to submitting a withdrawal vote to referendum, the Member School Unit must prepare a Plan of Withdrawal for approval by a two-thirds majority vote of the AOS school board. This Plan of Withdrawal must include a plan for the distribution of the withdrawing Member School Unit's portion of AOS assets and debts and will provide the basis for the referendum.
- b) Upon approval of a Plan of Withdrawal at a referendum, the AOS shall make a distribution of property and/or provide compensation as called for in the Plan.

16) Termination of Interlocal Agreement. Unless otherwise provided by law, this Interlocal Agreement may be terminated upon approval by the Maine Commissioner of Education of a Plan of Termination prepared by the AOS school board or by the school committee(s) and school board(s) of the Member School Units, and thereafter approved by the voters of the Member School Units within the AOS, as may be provided in the Plan of Termination approved by the Commissioner.

17) Amendment of Interlocal Agreement. Subject to approval by the Commissioner of Education, this Interlocal Agreement may be amended upon a two-thirds vote of the full membership of the AOS school board, approval by the school board of each Member School Unit, and a favorable referendum vote in each Member School Unit. The AOS board shall review this Interlocal Agreement from time to time, but not less than once every five (5) years, to determine if amendments to this Interlocal Agreement should be proposed by the AOS board.

18) Joinder of Additional Member School Units. Subject to approval by the Commissioner of Education, a school administrative unit may join this Interlocal Agreement and the AOS as a Member School Unit upon a two-thirds vote of the full membership of the AOS school board, approval by the school boards of each Member School Unit and the school board of the school administrative unit proposing to join the AOS, and a favorable referendum vote in each Member School Unit and in the school administrative unit proposing to join the AOS. Prior to commencing the referendum approval process, the Member School Units and the school administrative unit proposing to join the AOS shall negotiate an amendment to this Agreement to take effect upon full approval of joinder. Also, prior to calling the referendums in Member School Units, the school administrative unit proposing to join the AOS shall agree in writing to assume responsibility for the cost of conducting the referendum in each Member School Unit regardless of the final outcome of the referendum.

19) Conditions of Approval. The approval of this Interlocal Agreement by the governing body of each Member School Unit is contingent upon and subject to (1) submission of a School Reorganization Plan for an AOS which incorporates this Interlocal Agreement to

the Commissioner of Education by the governing body of that Member School Unit, (2) approval of that School Reorganization Plan by the Commissioner of Education, and (3) approval of that School Reorganization Plan by the voters of that Member School Unit at referendum in accordance with this paragraph. This Interlocal agreement shall not become effective, and the AOS shall not become operational, with respect to any Member School Unit whose governing body fails to submit the School Reorganization Plan for an AOS to the Commissioner of Education nor with respect to any Member School Unit if the voters of that Member School Unit fail to approve the School Reorganization Plan incorporating this Interlocal Agreement. This Interlocal Agreement shall not become effective to any Member School Unit unless the School Reorganization Plan which incorporates this Interlocal Agreement is separately approved at referendum by the voters of each of the following Member School Units: Airline CSD #8 and RSU #63.

20) Filing of Agreement. Before becoming effective, this Agreement shall be filed with the Secretary of State, the clerk of each municipality within the AOS, and the secretary of each Member School Unit within the AOS.

21) Miscellaneous Provisions.

- a) This Agreement shall be construed and enforced in accordance with the laws of the State of Maine.
- b) This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.
- c) This Agreement constitutes the entire Agreement between the parties, supersedes all prior negotiations and understandings among them and shall not be altered or amended except as provided herein.
- d) This Agreement may be simultaneously executed in any number of counterparts, each of which then so executed and delivered shall be an original; but such counterparts shall constitute but one and the same instrument.
- e) The headings in this Agreement are for convenience of reference only and shall not affect in any manner any of the terms and provisions hereof.

AOS Interlocal Agreement Signature Page

WITNESS:

Maine School Administrative District No. 63

Sue McKenzie

BY:

Therese Anderson

Therese Anderson, Its Chair

Board of School Directors

Date: 8/27/10

WITNESS:

Airline Community School District No. 8

Sue McKenzie

BY:

Les Hutchinson

Les Hutchinson, Its Chair

Board of School Directors

Date: 8/27/10

WITNESS:

APPROVED PURSUANT TO
30-A M.R.S.A. § 2205Jennifer Cook

BY:

Angela Faherty

Dr. Angela Faherty

State of Maine

Commissioner of Education

Date: 9/14/10

EXHIBIT B

**SAD #63 / CSD #8
AOS REGIONAL PLANNING COMMITTEE MEMBERSHIP**

SAD #63 Membership:Clifton -

Jessica Gray
Fred Rosenberg
Nancy Hatch

Eddington -

Therese Anderson
Charles Baker
Ralph Russell

Holden -

Christopher Doering
Bob Harvey
Jackie Smallwood

CSD #8 Membership:Amherst -

Brett Achorn
Phil Deckers
Marilyn Peterson
Floyd Lawrence (Alternate)

Aurora -

Michelle Cote
Joe Lacerda
Mo Sheehan

Great Pond -

Les Hutchinson
Tracy Green
Marion Hutchinson

Osborn -

Roger Waterman
Marie Bassett
Beverly Reed
Gregory Bassett (Alternate)

EXHIBIT B

*Regional Planning Committee Meeting Minutes
Thursday, August 19, 2010*

MEMBERS PRESENT:

RSU 63/SAD# 63: Therese Anderson, Co-Chair, Eddington; Jessica Gray, Clifton; Fred Rosenberg, Clifton; Chris Doering, Holden; Bob Harvey, Holden; Jackie Smallwood, Holden, Ralph Russell, Eddington and Charles Baker, Eddington.

CSD 8: Les Hutchinson, Co-Chair, Great Pond; Floyd Lawrence, Amherst; Mo Sheehan, Aurora; Roger Waterman, Osborn; Gregory Bassett, Osborn; Marie Bassett, Osborn and Beverly Reed, Osborn.

Others: David Anderson, Superintendent- SAD 63 and CSD 8 and Yvonne Mitchell, Business Manager- SAD 63 and CSD 8.

The meeting was called to order at 6:30 pm. Superintendent David Anderson welcomed all and spoke on the relationship that the CSD and SAD have had since 1977.

1. After introduction of all RPC members, Superintendent Anderson asked for election of chair or co-chairs. It was decided that co- chairs would be appropriate, one from each SAU.
2. Les Hutchinson nominated Therese Anderson and Charles Baker seconded. Fred Rosenberg nominated Les Hutchinson and Mo Sheehan seconded. No other nominations were put forth. Therese Anderson and Les Hutchinson were elected co-chairs of the Regional Planning Committee. Les Hutchinson suggested that Therese Anderson run meetings held at the SAD and he would run the meetings held at the CSD.
3. Therese expressed an interest that we try and submit our plan for the November elections.
Reasons:
 - According to Yvonne Mitchell, cost savings combining with the municipal elections would run over \$2000;
 - Potential change of governments in November;
 - November date would increase voter turnout;
 - Holiday season in November and December; and,
 - November vote would allow us the opportunity to try again if it is voted down.

Bob Harvey stated that it must be done correctly not just fast.

EXHIBIT B

There was discussion on where savings were. Since the districts have consolidated Central Services since 1977 there is little additional savings beyond the penalty. We will need to look into how we can create more savings.

Ralph Russell wanted to discuss the current status of Dedham and Orrington rewriting their school choice laws and see if we can do the same. He was reminded that we sought legal opinions on this and were told that as a consolidated district we did not have this option. After further discussion we decided to pursue this as districts and continue the AOS process. Roger Waterman from Osborn volunteered to be secretary for the remainder of the process.

A contingent from the Beech Hill School was recognized and discussion began on them joining the process. They have an interest in joining the AOS, but they have a one year agreement with the Ellsworth RSU. Paragraph 18 of the Interlocal Agreement allows their joinder at a later date. It was decided that it was a bit late in the process for them to join but the AOS would provide Central Office services in the future if necessary.

4. Therese Anderson chaired a page by page review and revision of the Winthrop/Fayette AOS Plan, making the changes that now appear in the SAD #63/CSD #8 Plan. A lot of the changes were cosmetic changing Fayette and Winthrop to SAD #63 and CSD #8.

3.A(1) – SAD 63 and CSD 8

3.A(2) – 7 members with alternates – one from each town

3.A(3) - Weighted votes- Yvonne will calculate the %s

3.A(4) – Remain unchanged unless specified by the Interlocal Agreement

3.A(5) – All property stays with the SAUs

3.A(6) – Indebtedness remains with the SAUs

3.A(7) – The only school contracts are the teachers in SAD 63 – stay with district. Central Office staff contracts transfer to the AOS. CSD #8 has no bargaining contracts with the teachers. Discussion on consistency – does not mean equal.

3.A(8) – All funds and obligations remain with SAUs

3.A(9) - Two districts will propose an AOS budget for transition. Since the units already share the Central Office this is predicted to be minimal. CSD #8 already uses police from SAD #63 so there is no need for changes there.

3.A(10) – Yvonne Mitchell and Susan McKenzie, Administrative Assistant to the Superintendent, will prepare the documentation from past attempts to form consolidated units.

3.A(11) – If one unit does not approve the Plan, we will re-start the process.

3.A(12) – Cost savings – it was agreed that there was little cost savings at this time as the Units have been working since 1977 towards cost savings together. The penalties are an important part of the savings.

3.A(13) – Other matters discussed – assets and liabilities remain with the SAUs, no adverse educational impact, continuity of insurance for the units, and high school choice is preserved.

EXHIBIT B

3.B(1) - This AOS will be <2500 students. Chris Doering was asked if he would word the justification for exception.

3.B(2) - Will work with Brewer for comprehensive preK-12 education

3.B(3) - Yvonne Mitchell and Susan McKenzie will pull this together

3.B(4) - No displacement of teachers, students or school closures

3.B(5) - All administrative functions are reorganized and there will be little expenditures and no educational impact.

2.C - A notice of Intent was filed and accepted with the Maine DOE

2.C(1) - We have consolidation of two SAUs, consolidation of Central Office administration, and have been working towards a core curriculum that meets the requirements of the State of Maine. There was some discussion here as to whether this means that we must accept the same programs. It was stated that it means that we need the same goals and outcomes but the methods can be different. School policies are already the same and the calendars will be centralized. An Interlocal Agreement will be drawn up; Chris Doering was asked to look over the legal references and agreed to this. The budget referendum will be coordinated.

The exceptions to the 2500 minimum were agreed to be geography, population density and other unique circumstances.

It was agreed that Yvonne Mitchell and Susan McKenzie would put together the document, and Therese would review it and send it out to the Boards for approval. SAD #63 was meeting the 23rd and CSD #8 agreed to move their meeting to the 24th in order to get the Board approval to submit the proposal.

The meeting was adjourned at 8:15 pm

Respectfully submitted,

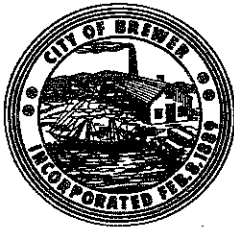
Therese Anderson

Exhibit C

Personnel Chart

<u>Current</u>	<u>Future</u>
<u>Airline CDS #8 and RSU #63</u>	<u>AOS # 863</u>
Superintendent 1.0 FTE	Superintendent 1.0 FTE
Business Manager 1.0 FTE	Business Manager 1.0 FTE
Administrative Assistant 1.0 FTE	Administrative Assistant 1.0 FTE
Operations & Transportation Manager 1.0 FTE	Operations & Transportation Manager 1.0 FTE
Bookkeeper 0.6 FTE	Bookkeeper 0.6 FTE

REC'D SEP 10 2010



BREWER SCHOOL DEPARTMENT
Brewer, Maine 04412

Commitment to Excellence, Community of Caring, Concern for Safety

September 9, 2010

Mr. Ray Poulin
School Administrative Reorganization
Maine Department of Education
23 State House Station
Augusta, ME 04333-0023

SUBJECT: SECONDARY CONTRACT FOR PROPOSED AOS

Dear Mr. Poulin:

Please know that Brewer High School has a long-standing relationship with RSU #63 and CSD #8. For years Brewer has welcomed their students and many have distinguished themselves academically. Moreover, many have served as respected student leaders at Brewer High School.

I understand that RSU #63 and CSD #8 are forming an AOS and would like Brewer High to be their public high school. The Brewer School Committee is willing to enter into a long-term contract with the newly formed AOS guaranteeing acceptance of *all* their students subject to mutually acceptable terms (e.g. guaranteed percentage of secondary students, special education costs, etc.).

Please feel free to call if you have any questions.

Respectfully yours,

Daniel M. Lee, Ed.D.
Superintendent of Schools

cc: Brewer School Committee
Superintendent Anderson
file